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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 192 (MC2016-86)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-111

NOTICE OF UNITED STATES POSTAL SERVICE OF AMENDMENT TO PRIORITY MAIL CONTRACT 192, WITH PORTIONS FILED UNDER SEAL

(May 4, 2017)

The Postal Service hereby provides notice that the terms of Priority Mail Contract 192, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 192 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Priority Mail

Contract 192. Therefore, the supporting financial documentation and financial

certification initially filed in this docket remain applicable. The Postal Service hereby

incorporates by reference the Application for Non-Public Treatment originally filed in this

docket, for the protection of the customer-identifying information that has been filed

under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE By its attorneys:

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ATTACHMENT A REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 192

AMENDMENT #1 OF SHIPPING SERVICES CONTRACT BETWEEN THE UNITED STATES POSTAL SERVICE

AND

REGARDING PRIORITY MAIL SERVICE

WHEREAS, the United States Postal Service ("the Postal Service") and ("Customer") entered into a shipping services contract regarding Priority Mail Service on February 16, 2016.

WHEREAS, the Parties desire to amend the terms in Section I.G.1 through I.G.3, I.H and Section III of the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Section I.G.1 through I.G.3, insert new Table A, replace Section I.H, and replace Section III, as follows. Tables 2-3 shall remain unchanged.]

I. Terms

- G. Contract Prices.
 - 1. Customer will receive Tier 1 pricing on its Contract Packages from the effective date of this Amendment until June 30, 2017.
 - 2. Subsequent Contract Quarter pricing will be based on a rolling four quarter average. Beginning July 1, 2017 (Contract Year 2, Quarter 2), the average will be determined by dividing the total number of Contract Packages shipped in the preceding four Contract Quarters by four. The result would then be used to determine the applicable tier and corresponding price table, referenced in Table A below, for Contract Package pricing for the current quarter. Contract Package pricing for subsequent Contract Quarters will be determined by dividing the total number of Contract Packages shipped in the preceding four quarters by four.
 - 3. At the conclusion of each quarter, the Postal Service will calculate the total number of Contract Packages shipped in the last four quarters, divide the total by four and within fifteen (15) calendar days of the conclusion of that quarter, notify Customer of the applicable tier and Contract Package pricing for the current Contract Quarter.



H. Annual Adjustment

- 1. For subsequent years of the contract, beginning on the first anniversary of the contract's effective date, customized prices under this contract will be the lesser of:
 (a) the previous year's prices plus the most recent (as of the anniversary date)
 percentage increase in prices of general applicability for Priority Mail Commercial
 Plus, as calculated by the Postal Service, or (b) the previous year's prices plus
- 2. Customized prices for the subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published rates of applicability for Priority Mail Commercial Plus, there shall be no change to contract pricing for that Contract Year.

III. Expiration, Termination, and Extension

- A. Expiration. This Contract shall expire three (3) years from the effective date, unless (1) terminated by either Party with thirty (30) calendar days' notice to the other Party in writing pursuant to Article III.B; (2) renewed by mutual agreement in writing and subsequent approval by the Commission; (3) superseded by a subsequent contract between the Parties; (4) ordered by the Commission or a court; or (5) otherwise required to comply with subsequently enacted legislation.
- B. Termination. Each Party reserves the right to terminate this Contract for convenience, without penalty, with thirty (30) calendar days' written notice to the other Party. Each Party may terminate this Contract in its entirety upon written notice if the other Party breaches any material term of this Contract and fails to cure such breach within thirty (30) calendar days after receipt by the breaching Party of written notice from the non-breaching Party describing such breach. The right to terminate shall be in addition to and shall not be in lieu of any other remedies available to the parties hereunder or by law.
- C. Extension. If, at the conclusion of this Contract term, both Parties agree that preparation of a successor SSC is active, the SSC will be extended for up to two (2) ninety (90) calendar day periods with official notification to the Commission at least seven (7) calendar days prior to the Contract's expiration date. Upon both Parties agreement of the extension, the escalation clause will be implemented in Section I.H, throughout the extension period.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE Signed by:	
Printed Name: Cliff Rucker	
Title: Senior Vice President, Sales and Customer Relations	
Date: 5-1-h	

